

MEMORANDUM

To: All Vermont Electric Transmission and Distribution Utilities
Vermont Department of Public Service
Interested Persons

From: Judith C. Whitney, Deputy Clerk of the Board

Re: Implementation of Act 61

Date: September 9, 2005

After considering parties' written comments and the discussion at the Public Service Board's ("Board") August 31, 2005, workshop, the Board has made several decisions related to how to proceed with the implementation of Act 61. This memorandum provides an overview of those decisions.

Grouping of Issues

The Board has divided the provisions of Act 61 which the Board is authorized to implement into four groups:

- **Renewables and Other Power Supply Issues** (including the Sustainably Priced Energy Enterprise Development ("SPEED") program, a Renewable Portfolio Standard, generation disclosure requirements, renewable energy credits, and interconnection standards for distributed generation);
- **Energy Efficiency Issues** (including the Energy Efficiency Utility budget level, a combined heat and power program, and a mechanism allowing customers to apply for exemption from the Energy Efficiency Charge);
- **Performance-Based Regulation Issues**; and
- **Least-Cost Integrated Planning for Transmission Services.**

Renewables and Other Power Supply Issues

On September 2, 2005, the Board sent out a memorandum notifying interested persons that it will hold a workshop beginning at 9:30 a.m. on September 15, 2005, to discuss the topics assigned to this group. The workshop will be conducted by Board staff, and will be held in the Board's Third Floor Hearing Room, Chittenden Bank Building, 112

State Street, Montpelier, Vermont. For more details about the Board's decisions on how it will proceed with these issues, please see the Board's September 2 memorandum.

Energy Efficiency Issues

The Board has scheduled a workshop for 9:30 a.m. on September 27, 2005, to discuss the topics assigned to this group. The workshop will be conducted by Board staff, and will be held in the Board's Third Floor Hearing Room, Chittenden Bank Building, 112 State Street, Montpelier, Vermont.

The Board is aware that at least some parties would like to proceed expeditiously with each of the three topics assigned to this group. The Board would like to consider parties' proposed processes and schedules for each task, keeping in mind that it is possible some tasks could be combined into a single process. The Board is particularly interested in parties' views on the possibility of mid-year implementation of a new budget for the Energy Efficiency Utility. Parties are encouraged to submit written proposed processes and schedules on or before September 22, 2005.

Performance-Based Regulation Issues

The Board has scheduled a workshop on performance-based regulation issues for 9:30 a.m. on October 18, 2005, to discuss whether a rulemaking might be appropriate for some or all issues associated with this topic, or whether all issues should be handled on a case-by-case basis. The workshop will be conducted by Board staff, and will be held in the Board's Third Floor Hearing Room, Chittenden Bank Building, 112 State Street, Montpelier, Vermont.

Parties are encouraged to submit written comments on this issue on or before October 11, 2005.

Least-Cost Integrated Planning for Transmission Services

All issues related to this topic are being considered in Docket 7081, the Board's Investigation into Least-Cost Integrated Resource Planning for Vermont Electric Power Company, Inc.'s Transmission System. For more information on this Docket, please visit the Board's website at www.state.vt.us/psb.

Service Lists

The Board would like to develop more focused e-mail and regular mail service lists for its Act 61 implementation activities. At this point, the Board would like one service list for each of the first three groups listed above (the service list for the fourth group is the service list for Docket 7081); additional service lists may be formed as implementation procedures are refined for the various topics currently included in the renewables and energy efficiency groups (for example, there may be a list for just the SPEED rulemaking, and a separate list for the interconnection standards procedure). **Therefore, please notify the Clerk of the Board on or before September 23, 2005, which of the following**

service list(s) you would like to be on, and provide her with your email and regular mail addresses:

- (1) Renewables and Other Power Supply Issues;
- (2) Energy Efficiency Issues; and/or
- (3) Performance-Based Regulation Issues.

Important: If you are not on one of the new service lists, you will not receive future notices from the Board regarding its Act 61 implementation activities in these areas.